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THIS IS UNEVALUATED INFORMATION

1. An explanation of the Outer Mongolian participation in the successive Moscow¹ and Peiping² conferences is that the USSR is determined to do everything that can be done to strengthen Communist China's position in Asia⁴ as fast as possible. The alienation of Outer Mongolia from former regimes has served its purpose; now the USSR wants the Mongolian People's Republic (MPR) to be re-aligned with China, as the Chinese have requested. In its economic and cultural relations and development the MPR is to be closely tied to China. This move of the USSR strengthens considerably the political autonomy of the Chinese Communist government, which now claims sovereignty over a large Mohammedan minority and four races: Han (Chinese), Manchurian, Mongolian, and Tibetan. In a recent speech in Peiping Tzedebal referred to China and Mongolia as brothers and to Stalin as the great father. The alienated brother must now be brought back to the Chinese family.
2. To establish close economic and cultural ties between the MPR and Communist China is a wise and natural step for the USSR to take. Culturally, Mongolia has always been an integral part of China. Furthermore, Mongolia was always dependent on China as the source of its consumers' goods and as the market for its cattle products.⁵ After the beginning of the Chinese-Japanese war and especially after the 1945 plebiscite⁶, when the MPR was drawn more tightly into the Communist orbit, this trade virtually stopped. There have been good reasons to believe that since that time the USSR has found it increasingly difficult to help develop the limited Mongolian economy.⁷

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3. During Tsendenbal's visit to Peiping, where he is heading a large delegation which includes the Minister of Education, concurrently Vice-Premier⁸, problems of trade improvement and the Chinese experiences with Communist reconstruction will be discussed. These will include the project to connect Kueisui (111-37, 40-47) or Paot'ou (110-03, 40-36) on the Peiping-Suiyuan railroad with Ulan Bator and the Siberian Railway⁹. This railway is of immense strategic and economic importance to the USSR, Mongolia, and China.

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1. [] Comment. [] at the Moscow conference the Mongols and Chinese Communists might discuss their mutual boundary and trade problems.
2. [] Comment. [] the purpose of Premier Tsendenbal's visit to Peiping might be to discuss whether the Mongol groups of Inner Mongolia should join the MPR or remain a part of Communist China.
3. [] Comment. The general guess was that the USSR wanted the MPR to be militarily aligned with Communist China in support of the Korean war and the threatened drive to Japan. There may be something in this guess, but it does not appear to be a sufficient reason for Tsendenbal's two trips in succession to the two capitals. Outer Mongolia, which has an estimated population of about 800,000, which has a deficit economy, and whose inhabitants are still mainly nomads, supporting themselves by cattle-raising, can not be an important factor in the total USSR build-up, unless it were to make some contribution to the ground-forces in Korea.
- [] Comment. According to a news release in the Saigon France-Asie of 11 October 1952, quoting a dispatch from Taiwan, Tsendenbal had conducted negotiations with the Peiping government to the effect that should the Korean truce talks break down completely, MPR troops would be sent to aid the Chinese Communists.
4. [] Comment. To most free Chinese observers the assignment to China of the ~~economic~~ cultural trusteeship of Outer Mongolia and the assignment of a greater share of responsibility in Korea and Indo-China are unmistakable signs that the USSR is strengthening the leadership of Communist China.
5. [] Comment. [] one of the motives prompting the USSR to assume control of Outer Mongolia was the desire to obtain a monopoly on her trade. Although formerly China had had a monopoly on MPR trade, in 1943 the Chinese were excluded from the country. Chinese imports had dropped to only a small amount of brick tea and Outer Mongolia exports had disappeared from Chinese markets.
6. [] Comment. In a supplementary note to the Treaty of Friendship and Alliance between the Republic of China and the USSR of 14 August 1945, the Chinese government agreed to recognize the independence of Outer Mongolia if a plebiscite should confirm such a desire.

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- 25X1 7. [] Comment. [] 25X1
25X1 [] the MPR has generally had an export deficit in its trade with the USSR. Furthermore, according to the same report, government income has consistently fallen below expenditures since the early 1930's.
- 25X1 8. [] Comment. According to Peiping New China News Agency releases of early October 1952 the MPR Minister of Education was Bazar Shirindib. In the releases he was also reported as the President of Choi Balsan University, but he was not referred to as Vice-Premier. The New China News Agency reported the Vice-Premier in the MPR party to be a Lhamsurun, probably the same as Lamasereng, [] concurrently Vice-Premier and Minister of Foreign Affairs in February 1952. 25X1
- 25X1 9. [] Comment. According to a map of August 1951, the Peiping-Suiyuan railroad passed through Kueisui en route to Pact'ou, the end of the line. On a map of November 1947 a proposed railroad is shown from Ulan Bator via Wute (111-00, 44-27) to P'angchiang (112-30, 43-03). [] the rumored construction of the Ulan Bator-Wute line in 1947. [] in 25X1
25X1 June 1948 there was no railroad linking Ulan Bator with the Soviet railway system at Kyakhta (106-30, 50-20). [] 25X1
25X1 [] a broad-gauge railroad from Ulan Bator to Kyakhta existed in May 1950, and there have been various newspaper reports to that effect.

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